

~~CONFIDENTIAL~~
~~SECRET~~

COPY NO. 18

OCI NO. 0056/57

31 January 1957

CURRENT INTELLIGENCE WEEKLY SUMMARY



DOCUMENT NO. 7
NO CHANGE IN CLASS. ☐
☐ DECLASSIFIED
CLASS. CHANGED TO: TS
NEXT REVIEW DATE: 1989 ^(C)
AUTH: HR 70-2
DATE: 1 Aug 79 REVIEWER:

25X1

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

~~CONFIDENTIAL~~
~~SECRET~~

25X1

State Department review completed

THIS MATERIAL CONTAINS INFORMATION AFFECT-
ING THE NATIONAL DEFENSE OF THE UNITED STATES
WITHIN THE MEANING OF THE ESPIONAGE LAWS,
TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMIS-
SION OR REVELATION OF WHICH IN ANY MANNER TO
AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

The Current Intelligence Weekly Summary has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current situations. Comments and conclusions represent the immediate appraisal of the Office of Current Intelligence.

~~CONFIDENTIAL~~
~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

THE WEEK IN BRIEF

PART I

OF IMMEDIATE INTEREST

THE ALGERIAN SITUATION Page 1

The widely heralded Moslem general strike in Algeria, which began on 28 January, appears to be subsiding but may be resumed in full force when the UN General Assembly begins its debate on Algeria next week. In France, the victory of moderate rightist elements in a recent by-election is likely to increase pressure on Premier Mollet to make his Algerian program more palatable to the conservatives in the National Assembly. [REDACTED]

25X1

MIDDLE EAST DEVELOPMENTS Page 2

Egypt and Israel are resisting diplomatic pressure for modification of their stands on the Gaza and Gulf of Aqaba issues. The UN debate not having produced a solution thus far, attempts are being made to proceed by bilateral negotiations, such as those India is reported undertaking in Cairo. [REDACTED]

25X1

PART II

NOTES AND COMMENTS

VISIT OF IRAQI CROWN PRINCE ABD AL-ILAH Page 1

Iraqi crown prince Abd al-Ilah, whose visit to the United States coincides with that of King Saud, exerts much behind-the-scenes influence on his country's political affairs. Since the Suez Canal intervention, Iraq has been playing down its relationship with Britain and has been turning toward the United States. Abd al-Ilah will probably seek larger American military assistance, especially for the Iraqi air force, and will attempt to persuade the United States to join the Baghdad pact. [REDACTED]

25X1

KASHMIR Page 2

The UN Security Council resolution of 24 January renewing the earlier call for a plebiscite in Kashmir was met with satisfaction in Pakistan and with deep hostility in India. However, India is unlikely to resort to armed action. [REDACTED]

25X1

~~SECRET~~
~~CONFIDENTIAL~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

CYPRUS: THE TURKISH POSITION AT THE UN Page 3

Turkey will enter the forthcoming UN General Assembly debate on Cyprus determined to prevent an extension of Greek sovereignty to the island, from which Turkey's southern coastline and defense bases could be dominated.

INDONESIA Page 3

President Sukarno, in a speech on 27 January, appealed directly to the public for support of his assumption of a more powerful role in the Indonesian government, and indicated he would continue to emphasize a unitary rather than a federal state. Military and political relations between Djakarta and Sumatra remain at an impasse, and political parties are resuming agitation for a major cabinet shake-up.

NENNI SOCIALIST PARTY CONGRESS Page 4

The Nenni Socialist Party congress scheduled for 6-10 February is expected to concern itself largely with the question of whether the party should maintain ties with the Communists or unite with the Saragat Socialists, who are at present part of Italy's coalition government. Any Socialist reunification would have a decisive effect on the position of other parties and probably would lead to readjustments in the composition of the Italian cabinet.

FORTHCOMING SUPREME SOVIET MEETING Page 6

The meeting of the Supreme Soviet scheduled to open in Moscow on 5 February will consider the government's 1957 state budget and perhaps the 1957 economic plan. One or more of the top leaders may speak on economic policy and political matters, such as the ferment among Soviet students and intellectuals, and Soviet policy toward the Middle East.

SECRET

ii

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

31 January 1957

SOVIET LEADERS TOUR THE PROVINCES Page 7

In the past two weeks, top Soviet leaders have made quick trips to outlying districts of the USSR to present Order of Lenin awards to 14 republics, oblasts and krais for their outstanding achievements in agriculture during 1956. The extensive publicity accorded the visits and the wide range of subjects covered in the speeches suggest that the members of the collective leadership desire to make a show of their personal concern for the welfare of the people and to arouse enthusiasm for the regime's policies on current economic and international problems.

CHOU RESUMES ASIAN TOUR Page 8

Back in Asia after visits to Moscow and the troubled Satellites, Chou En-lai has resumed his efforts to persuade the neutral nations that Peiping is the champion of Asian-African freedom and solidarity, devoted to the cause of peace and deserving of international acceptance.

ZHUKOV VISIT TO INDIA Page 9

Soviet defense minister Zhukov's principal task on his visit to India probably is to repair the damage to Soviet-Indian relations caused by Indian "misunderstandings" of Soviet actions in Hungary. Soviet sympathy and support for India's claims to Kashmir may help overcome this coolness, although Zhukov's bitter attacks on American policy appear to have embarrassed his hosts.

CHINESE COMMUNIST YOUTH DISCIPLINE PROBLEMS Page 10

Peiping newspapers and radio broadcasts have recently taken issue with what they describe as a trend toward irresponsible behavior among Chinese middle school students and young factory workers. These comments may reflect official concern lest student unrest become a problem in China as it recently has in the USSR.

SECRET

iii

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

INTELLECTUAL DISSATISFACTION IN CZECHOSLOVAKIA Page 11

Intellectual dissatisfaction reminiscent of the early stirrings of discontent in Hungary and Poland has recently flared into the open in Czechoslovakia. The authors' union weekly has criticized the destructive effects of the Socialist system on both the individual and society, and its editor has pleaded for understanding for "progressive" writers. The regime may have to resort to repressive measures in an attempt to ensure conformity. [REDACTED]

25X1

THE EAST GERMAN REFUGEE PROBLEM Page 12

During 1956, a steady flow of refugees to the West continued to deplete East Germany's manpower resources. The 1956 total of 279,488 is the second highest for any year since 1949, when accurate records were first kept. More than 3,000,000 persons, about 17 percent of the population, have left East Germany since the end of World War II. The loss particularly of skilled technicians seriously interferes with the regime's plans to increase industrial and agricultural production. [REDACTED]

25X1

INTERNATIONAL COMMUNIST MEETINGS Page 13

In an attempt to enforce unity and discipline in the Communist camp, Moscow apparently has been promoting a series of meetings of Sino-Soviet bloc government and party leaders. The latest issue of the Soviet theoretical journal, Kommunist, opposes "a return to all forms of centralized organization" such as the Cominform or Comintern, but supports "international meetings of representatives of the various Communist parties" to strengthen international Communist unity. [REDACTED]

25X1

CAMBODIA Page 14

Prince Sihanouk is finding it increasingly difficult to maintain undisputed leadership in Cambodia. Dissatisfaction with his rule has apparently spread through his own political organization, the Sangkum. There is deepening concern among Cambodian leaders over Sihanouk's encouragement of close contacts with the Communist bloc. [REDACTED]

25X1

~~SECRET~~

iv

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

25X1

25X1

PART III

PATTERNS AND PERSPECTIVES

STATUS OF THE TOP SOVIET LEADERS Page 1

Relationships within the top Soviet hierarchy have increasingly become the subject of speculation in Moscow. According to some reports, important changes are to be made at the Supreme Soviet meeting scheduled for 5 February. Throughout the crises which arose in the past year, in connection with the de-Stalinization campaign and the events in Hungary and Poland, Khrushchev has shown flexibility in adapting himself to new circumstances--including reversals in some of his policies. [REDACTED]

25X1

THE NILE WATER CONFLICT BETWEEN EGYPT AND THE SUDAN . . . Page 6

In the conflict between Egypt and the Sudan over the disposition of the Nile waters, Cairo claims rights to a greater portion of water than Khartoum is willing to acknowledge and wants a larger share of any surplus resulting from the construction of new works on the river. The Sudan is not immediately in need of more water, but, in order to forestall Egypt's de facto acquisition of additional water rights, desires a final determination of the shares each nation is to receive before any new construction begins. [REDACTED]

25X1

WEST GERMAN REARMAMENT Page 11

Under revised rearmament plans, the West German government plans to have 135,000 men in uniform by the end of 1957 and seven divisions ready for combat by mid-1958. The new figures are a downward revision from an earlier NATO-approved goal of 270,000 by the end of 1957. [REDACTED]

25X1

~~SECRET~~

v

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957



25X1

SECRET

vi

~~CONFIDENTIAL~~
~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

PART I

OF IMMEDIATE INTEREST

THE ALGERIAN SITUATION

The widely heralded Moslem general strike in Algeria, which began on 28 January, appears to be subsiding but may be resumed in full force when the UN General Assembly begins its debate on Algeria next month. In France, the victory of moderate rightist elements in a recent by-election is believed likely to increase pressure on Premier Mollet to make his Algerian program more palatable to the conservatives in the National Assembly.

The strike, launched by the National Liberation Front (FLN) in anticipation that the United Nations would take up the Algerian item this week, was most effective in the capital and in eastern cities, where up to 100 percent of the Moslem population reportedly co-operated from the outset. Elsewhere the strike was less widely observed.

In France, where there are nearly 500,000 Algerian laborers, 60 to 70 percent responded in the Paris area and about 25 percent in the provinces.

The strike did not have severe paralyzing effects anywhere, however, as essential services in Algeria were maintained by Europeans with the aid of military personnel and convicts. Elaborate security precautions were taken by the French administration. As the week progressed, a back-to-work movement began, but as of 30 January, the bulk of Moslem workers in the Algiers area was still on strike.

Although there was a spate of bombings and assassinations as well as two large frontier engagements in Algeria last week end, neither the increased urban terrorism nor the large-scale military offensive which the rebels reportedly planned to co-ordinate with the strike materialized. Such attacks may be timed to coincide with the UN debate, now scheduled to begin on 4 February, when the strike presumably will be intensified. The American consul general in Algiers believes that the nationalist leaders are prepared to sacrifice thousands of lives in an effort to ensure UN intervention. 25X1

The temper of the local Europeans is such that any marked increase of terrorism is likely to provoke them into all-out reprisals against the Moslems. If this situation can be averted, however, and the UN debate is terminated speedily on terms not favorable to France, some French officials now feel that the FLN will soon agree to negotiate a cease-fire on the basis of Premier Mollet's 9 January "declaration of intention."

~~CONFIDENTIAL~~
~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

Algiers' Mayor Chevallier, who has been persuaded that Algerian independence is inevitable, recently told the American consul general that the FLN realizes the Mollet proposals contain "the guarantees of power and independence," but that extremists want France to lose face in the UN before accepting them.

The 27 January by-election in Paris indicated that the electorate supports the government's policy for Algeria. Although the defeat suffered by the French extremists reduces the immediate fears of an attack on French parliamentary institutions, such fears would

revive following an unfavorable resolution in the UN or large-scale uprisings in Algeria.

Mollet still faces difficulty, however, since the moderate right considers itself the principal victor in the election. The American embassy anticipates pressure on Mollet to make changes in his Algerian policy, particularly to qualify the offer of voting equality for Europeans and Moslems. Mollet probably hopes to offset such pressure by taking a strong position in the UN defending France's role in Algeria and rejecting UN interference.

25X1

MIDDLE EAST DEVELOPMENTS

Egypt and Israel are resisting diplomatic pressure for modification of their stands on the Gaza and Gulf of Aqaba issues. Egyptian foreign minister Fawzi objects to proposals to station UN troops in Gaza and at the entrance to the gulf on the ground that this would reward Israeli aggression.

Pressure on Egypt does not seem likely to get very far in the immediate future. A member of the Indian UN delegation reports that his government has been pressing hard to get Egypt to adopt a "reasonable attitude." However, the Indians have found Cairo willing to go no further than a three-point scheme calling for withdrawal of forces, reaffirmation of the armistice agreement which Israel claims has lapsed, and deployment of the UNEF along both sides of the Egyptian-Israeli armistice line. This does not

appear to be any advance over the earlier Egyptian position. The last point, included in Hammarskjold's report, was also raised earlier by Nasr.

Egypt's firmness is supported by other members of the Asian-African bloc in the UN, but there seems to be significant "go slow" sentiment mixed with this support. The Egyptians themselves do not appear anxious for immediate drastic UN action against Israel; they have no specific suggestions as to how to get the Israelis to withdraw, although the Cairo press, in its usual bellicose tones, threatens that Egypt might have to take the matter into its own hands.

Israeli intransigence is illustrated by Tel Aviv's statement that it is unable to understand the UN secretary general's report on the withdrawal problem.

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

The Israelis are strengthened by the backing of France--the only nation to vote with them against the UN resolution calling for full evacuation. A French Foreign Ministry official last week said Israel was requesting additional arms, especially artillery, from France. He predicted that Israel would obtain French financing for its projected pipeline from the Gulf of Aqaba to the Mediterranean.

The Israelis apparently do not expect that their stand will result in any military operations against them in the near future. Their army's active strength is now estimated at 65,000, including paramilitary units--a figure which marks a new low level for Israel's forces. The army remains capable, however, of mobilizing its full strength of 200,000 men in 24 to 48 hours.

25X1

* * *

~~SECRET~~

~~CONFIDENTIAL~~
~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

PART II

NOTES AND COMMENTS

VISIT OF IRAQI CROWN PRINCE ABD AL-ILAH

25X1

Prince Abd al-Ilah, both ex-regent of Iraq and heir presumptive, whose visit to the United States coincides with that of King Saud, exerts considerable influence over Iraq's political affairs.

25X1
25X1

The objectives of Abd al-Ilah's trip are manifold. He principally wishes to determine the relationship of the Baghdad pact to the American proposals for the Middle East and hopes to persuade the United States to join the pact.

Iraq is in a unique position among the Arab states. As the only Arab member of the pact, it is isolated from its Arab neighbors and has become the target of a propaganda campaign carried on by Egypt and Syria. Iraq's economy and vast development plans depend on its oil royalties, which have been cut drastically as a result of Syria's demolition of the pipeline. Syria, along with Egypt, is exploiting the cutting off of oil to force Iraq to sever its ties with the pact.

~~CONFIDENTIAL~~
~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

Since the Suez Canal intervention, Iraq has been turning toward the United States and has been playing down its relationship with Britain.

Abd al-Ilah will probably seek larger American military assistance, especially for the Iraqi air force.

25X1

KASHMIR

The UN Security Council resolution of 24 January renewing its earlier call for a plebiscite in Kashmir was met with satisfaction in Pakistan but with strong opposition in India.

bitterness and isolation prevailing in New Delhi.

The Indian attitude is likely to become more extreme in an attempt to discourage further UN action on Kashmir. New Delhi is adamant in opposing any form of a plebiscite--which it would probably lose because of the 77-percent Moslem majority in Kashmir. Additionally, a few extremists who have never accepted partition of the subcontinent would probably welcome an incident in Kashmir as an excuse to launch an all-out attack to reincorporate Pakistan.

India's belligerent attitude is also reflected in Krishna Menon's statement to Ambassador Lodge on 24 January that there is danger of Pakistani "fedayeen" attacks in Kashmir and that if they occur he favors taking over all of Pakistan. Concurrently, the Indian press has lashed out at "the interested and mischievous role" played by Britain and the United States throughout the Kashmir dispute.

However, India, which already controls most of Kashmir, is unlikely at present to initiate hostilities--especially in view of Nehru's preoccupation with the Indian national elections which begin late in February. Pakistan is equally unlikely to take violent action as long as it continues to receive UN support, although the possibility remains that irresponsible Kashmiri or tribal elements on either side may provoke disturbances in order to force Karachi and New Delhi to act.

25X1

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

CYPRUS: THE TURKISH POSITION AT THE UN

Turkey will enter the forthcoming UN General Assembly debate on Cyprus determined that under no circumstances must the way be opened for an extension of Greek sovereignty to the island, from which Turkey's southern coastline and defense bases could be dominated. Ankara claims that Greek opposition to partition of Cyprus proves that Greece invented the self-determination scheme for Cyprus "to camouflage its struggle to annex the island." The Turks insist that if there is to be any change in the status of Cyprus, they must have troops on the island to safeguard the security of the Turkish mainland.

Turkey will accept any of three possible alternatives: (1) Britain to retain absolute sovereignty; (2) self-government for Cyprus accompanied by the continuation of British base rights, with enosis precluded after the pattern of the prohibition of a German-Austrian Anschluss; or (3) self-government for Cyprus, after all terrorism ceases, with eventual partition of the island and with military bases either retained by Britain or placed under NATO control. Turkey views the idea of partition as the best of a number of unsatisfactory solutions.

Turkey sees the necessity of demonstrating a willingness to compromise on the Cyprus issue and has therefore abandoned its demand for retention of the status quo in favor of self-government and eventual partition of the island, possibly to be accompanied by demands for a simultaneous readjustment of the Greek-Turkish border on the European mainland.

During the forthcoming General Assembly debate, Turkey will undoubtedly align itself with Britain, unless it believes London is willing to accept a compromise that would violate Turkish interests. The Turkish delegation may be expected to be reserved until Greek strategy becomes apparent.

Turkey opposes the idea of a UN fact-finding committee for Cyprus for fear of Soviet participation. It would prefer a more general UN resolution merely calling for continued negotiations or an agreement by the disputants to submit the controversy to the North Atlantic Council, where the issue would be removed from possible Soviet machinations and where Turkey would have a veto over recommendations.

25X1

INDONESIA

Indonesia's President Sukarno has taken another step to promote his plan to establish a powerful "advisory council" which, under his personal leadership, would control all Indonesian affairs. In a speech to a Communist-organized mass meeting in Bandung on 27 Janu-

ary, he appealed directly to the public to support his assumption of a more powerful role in the government.

Although he withheld specific proposals "until later," Sukarno strongly criticized Indonesia's provisional

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

constitution and basic laws as unsuitable for Indonesia's national development. He said he had in mind a transitional administration which would bridge the gap between the present "unsatisfactory" situation and the completion of the new permanent constitution some two years or more hence. He indicated that his own concept would continue to emphasize a unitary rather than a federal state.

Sukarno's appeal to the public over the heads of the political parties--who dislike certain aspects of his proposal--appears to be the beginning of an all-out campaign to build mass support for his scheme. The successful implementation of his plans depends, however, on the restoration of a semblance of army headquarters' control in Sumatra, since unified army support is essential.

Military and political relations between Djakarta and Sumatra continue deadlocked. The army chief of staff, General

Nasution, has traveled to Sumatra to seek a satisfactory settlement. He reportedly has talked individually with all principal officers, including Colonel Simbolon, rebel commander in North Sumatra. They then held a formal military conference, which opened in Palembang on 29 January. No immediate solution may be expected to result from these conversations.

In view of the slow development of Sukarno's plans, various political parties have been encouraged to resume agitation for a major cabinet shake-up. The Christian Party has decided again to suggest the cabinet's resignation, and the Nahdlatul Ulama--the key to cabinet survival--reportedly has decided to call for a reshuffle. Parliamentary debate on the cabinet's handling of Sumatra began on 28 January and will continue for two weeks, probably ending in a vote of confidence. [REDACTED]

25X1

NENNI SOCIALIST PARTY CONGRESS

The Nenni Socialist Party congress scheduled for 6-10 February is expected to concern itself largely with the controversial question of maintaining ties with the Communists or reuniting with the Saragat Socialists, who are at present part of Italy's coalition government. Because Socialist reunification, if achieved, is widely expected to have extensive effects on the position of other parties, particularly the Communist, the Nenni party meeting is for the time being the dominating event on the Italian political scene, with a possible cabinet showdown being postponed till the outcome of the congress is known.

Terms set by Saragat's Democratic Socialists last September call for a clean break with the Communists as a precondition, and the pro-Communist wing of Nenni's party consequently opposes reunification. It is not yet clear how much congress support can be marshaled against this group by Nenni's supporters who favor reunification, because by 27 January only about one quarter of the provincial federations had chosen delegates to the congress.

The federation in Rome, however, elected a proreunification delegation, and [REDACTED]

25X1

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

Nenni believes he now has the support of 35 percent of the party. He sees another 15 percent as close to his position, while 30 percent favor the pro-Communists, and the remainder of the party is undecided. Pierre Commin, the acting secretary general of the French Socialist Party, who sponsored the negotiations between Nenni and Saragat last fall and is attending the February congress, believes Nenni will get a majority of 60 to 70 percent of the delegates.

If the congress drafts a statement on reunification which meets Saragat's terms for a merger, the Democratic Socialists are expected to speed up their own congress and subsequently to leave the cabinet. Even if the Nenni congress drafts only an equivocal resolution, the Segni

government may be jeopardized by the withdrawal of the Democratic Socialists. They now find themselves at odds with their Christian Democratic and Liberal Party colleagues in the coalition over the provisions of the bill regulating agrarian contracts, and over the selection of the new minister for state participation in enterprises.

The Communists have already indicated their concern over the possibilities of a Socialist merger. On 20 January, party chief Togliatti attacked the moves toward Socialist unification as "harmful and dangerous" to the working class, and declared that if it happened, his party would "energetically work" on the side of those against reunification in Nenni's party.

25X1

25X6

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

25X6

FORTHCOMING SUPREME SOVIET MEETING

The meeting of the Supreme Soviet scheduled to open in Moscow on 5 February will consider the government's 1957 state budget, and perhaps the 1957 economic plan. One or more of the top leaders may speak on economic policy and political matters such as the ferment among Soviet students and intellectuals or Soviet policy toward the Middle East.

Present evidence tends to discount rumors recently circulating in Moscow that another meeting of the party central committee will be held before the Supreme Soviet convenes, or that important changes within the leadership are in the offing. (See PART III, p. 1.) Marshal Zhukov, who as a candidate member of the party presidium would probably be required to attend a plenum, arrived in New Delhi on 24 January for a visit of two weeks or more in

connection with India's independence anniversary celebrations. Another presidium candidate, N. A. Mukhitdinov, left Moscow on 19 January for a 10-day visit to Iran.

Much of the speculation concerning personnel changes has centered around the possibility that Voroshilov, one of the remaining "Old Bolsheviks," will be retired as titular head of state (chairman of the Presidium of the Supreme Soviet) and that Premier Bulganin will be given the essentially honorary post. It was announced on 22 January, however, that Voroshilov will make a state visit to Peiping in April, which tends to discount the rumor.

Statements of Soviet leaders and the Moscow press since the December meeting of the central committee have already given some guidelines of

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

the new budget and annual economic plan--the compilation of which has probably involved at least tentative decisions on adjustments in the Sixth Five-Year Plan (1956-1960). The continued primacy of heavy industry has been frequently restated. Additional commitments to increase housing construction and improve consumer welfare in general have been promised, however, and high priority for agriculture, including the relatively unsuccessful corn program, is to continue. Lastly, much emphasis has been placed on the intention to maintain all major goals of the Sixth Five-Year Plan through better planning and management, and by increasing labor productivity.

In the housing field, Party Life, an authoritative journal of the central commit-

tee, has editorialized that housing presently requires the same kind of "national attention previously given the new lands program," according to the American embassy. Mme. Furtseva, candidate presidium member, is reported to have said that the Moscow area housing allocation will increase about 22 percent in 1957.

A redirection of industrial investment will probably be ordered by the plan for 1957, with an accompanying reduction of new starts in industrial construction in order to concentrate resources on completing important projects. In addition, a reduction in the total volume of investment this year is possible as part of a rescheduling of the five-year investment plan.

25X1

(Prepared jointly with ORR)

SOVIET LEADERS TOUR THE PROVINCES

In the past two weeks top Soviet leaders have made flying trips to outlying districts of the USSR to present Order of Lenin awards to 14 republics, oblasts and kraiss for their outstanding achievements in agriculture during 1956. The extensive publicity accorded the visits and the wide range of subjects covered in the speeches suggest that the members of the collective leadership took this opportunity to demonstrate personally their concern for the welfare of the people and to arouse enthusiasm for Soviet policies on current economic and international problems.

The speeches had several themes in common: they played up the agricultural achievements of the areas visited as glowing examples for the rest of the USSR; lauded recent government concessions to the citizenry, such as increased pensions and shorter working hours; stressed the need for greater vigilance and unity in

the face of a "resurgence of reactionary imperialism" in the West; condemned "Western aggression" in the Middle East, particularly the recent American proposals; and re-emphasized the growing solidarity of the "socialist" camp.

Officials participating included all full members of the presidium with the exception of Pervukhin, Saburov and Kirichenko, several members of the party secretariat, and former politburo member Andrei Andreyev. Pervukhin and Saburov are presumably working full time on the 1957 budget and economic plan to be presented to the forthcoming Supreme Soviet session, and Kirichenko, as first secretary of the Ukraine, is occupied with republic party meetings.

The five central Asian republics were visited by the most prominent Soviet leaders. An attempt seems to have been made to send a leader to those oblasts and kraiss with which

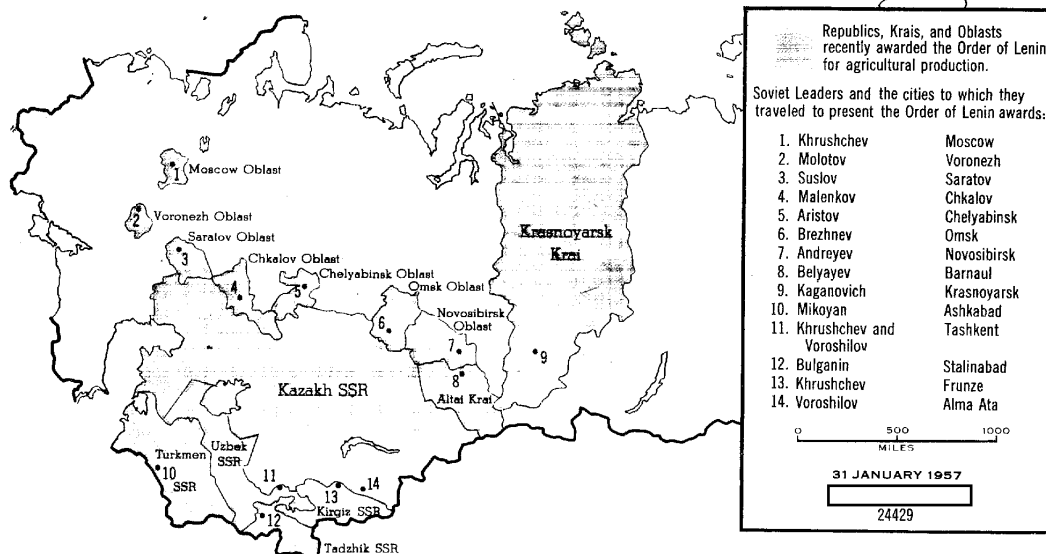
~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

Travels of Soviet Leaders



25X1

he had in some way been associated. Moscow received the award from Khrushchev, oblast party boss for a number of years. Malenkov was sent to his home town of Chkalov, and Suslov to Saratov, which he represents in the USSR Supreme Soviet. Secretaries Belyayev and Aristov went to Altai Krai and Chelyabinsk Oblasts respectively, where both had been first secretaries prior to their all-Union appointments. Andreyev, not a member of the top ruling circle, may have been picked to visit Novosibirsk because he

has long represented one of its electoral districts in the RSFSR Supreme Soviet.

Khrushchev was the only presidium member who handed out awards to more than one oblast or republic, and he was the recipient of laudatory personal praise from Aristov, who in his speech in Chelyabinsk Oblast said he felt it "necessary to mention the great energy and persistence, the bold initiative and determination demonstrated by N. S. Khrushchev in the reclamation of virgin and waste lands."

25X1

CHOU RESUMES ASIAN TOUR

Back in Asia once again after a hurried visit to Moscow and the troubled Satellites, Chou En-lai has resumed his efforts to persuade his hosts that Peiping is the champion of Asian-African freedom and solidarity, devoted to

the cause of peace and deserving of international acceptance.

Chou pushed this theme most actively in Afghanistan, where he arrived on 19 January for a stay of five days. The joint communiqué issued in Kabul on

~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

22 January was essentially non-committal, but Chou favorably impressed Afghan leaders and Asian-African diplomats in Kabul.

While in Afghanistan, Chou steered clear of controversy and made no open attacks on either the American Middle East proposals or on "colonialism"--unlike Marshal Zhukov, who is now visiting India. (See Part II, p. 12.) During the round of official social functions arranged by his hosts, he paid special attention to the ambassadors from Egypt, Saudi Arabia and Japan--while neglecting the Soviet diplomats. Afghan officials, like many others who have dealt with Chou since 1945, were apparently convinced he was "sincere" and "reasonable."

During a conversation on 23 January, the Afghan deputy foreign minister told American embassy officials his government considered continued American opposition to Communist China a "gross error" which deprived the Chinese of a desired alternative to Moscow.

After leaving Afghanistan, Chou stopped briefly in New Delhi on 24 January, where he conferred for a third time with Prime Minister Nehru.

In Nepal, on 26 January, Chou came out against the recent UN resolution on Kashmir, which he called "not satisfactory." At a Republic Day reception in the Indian embassy at Katmandu, Chou told reporters he thought raising the problem in the UN--in line with the demands of Pakistan--had not produced "good results." Earlier, during his visits to both New Delhi and Karachi, Chou had evaded questions on the Kashmir problem by saying that he was "studying" the issue.

He promised that Communist China would continue to support Nepalese development efforts and would do everything possible to promote "traditional trade" with Nepal through Tibet. Chou's visit to Nepal ended with a generally noncontroversial joint communiqué on 29 January.

Chou was then planning to go to Ceylon, reportedly on an invitation requested by Peiping, where he was scheduled to stay until 5 February. He is expected to return home at the end of his visit in Colombo and may go by way of Rangoon in order to sign a final agreement on the border settlement with Burma.

25X1

ZHUKOV VISIT TO INDIA

Soviet defense minister Zhukov and a party of high-ranking officers arrived in New Delhi on 24 January for a good-will tour of India, ostensibly to return Air Marshal Mukerjee's visit to Moscow late in 1955 and to represent the USSR at the Indian Republic Day celebration on 26 January.

Following the precedent set by Bulganin and Khrushchev in their tour of South and Southeast Asia in 1955, Zhukov bitterly attacked American policy at a banquet the evening he arrived, to the evident embarrassment of his hosts. Zhukov reiterated the Soviet peace line and charged that

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

the United States by means of pretexts and subterfuges "is attempting to seize the positions lost by Britain and France in the Near and Middle East...and to seize the key strategic positions and the natural resources" of the area for its own use.

Zhukov's principal task as "good-will ambassador" probably is to repair the damage to Soviet-Indian relations caused by Indian "misunderstandings" of Soviet actions in Hungary. Although India is cool to the

new American proposals on the Middle East, such heavy-handed approaches are not likely to endear Zhukov to Nehru and official Indian circles. However, now that the Kashmir issue has re-emerged in critical form, Soviet sympathy and support may help overcome the effects of the intervention in Hungary.

To date, the official Indian reception of Zhukov and his party has been relatively cool, and the Indian press has given the visit only moderate coverage.

25X1

CHINESE COMMUNIST YOUTH DISCIPLINE PROBLEMS

Peiping newspapers and radio broadcasts have recently taken issue with what they describe as a trend toward irresponsible behavior among Chinese middle school students and young factory workers. These comments may reflect official concern lest student unrest become a problem in China as it recently has in the USSR.

Criticism last spring of low academic standards in middle schools was followed by a reduction in supervised extracurricular activities, including ideological and political training, at the beginning of the school year in September.

According to the Communist press, this relaxation of control over student activities has led to instances of impertinence toward teachers and frequent absences from classes. In some cases students have refused to attend physical exercise sessions or engage in school-sponsored welfare work. Some students have resolved neither to subscribe to nor read newspapers. Student

ignorance of events in Hungary and Egypt and of the work of the Chinese Communist eighth party congress has been decried.

Teachers are also coming in for sharp criticism. Charged with a laissez-faire attitude, they are warned that their failure to take an interest in student political and group activities will lead to the development of "bureaucratic individualism and radical democracy" among students.

Commenting on the inclination of young people to defy Communist moral standards, Peiping has claimed that fondness for extravagant dance parties, where Western popular music is played and "women rascals" abound, has exposed youths to corrosive capitalist concepts and has had an adverse effect on their factory production and ideological studies. Greater ideological leadership over factory workers has been called for, and school authorities have been told to instill Communist concepts of morality.

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

Chinese youths apparently have not seriously questioned regime policy, but have diverged from accepted attitudes, judging by Peiping's references to "doubts" and "wrong thoughts" aroused by world problems.

The Chinese Communists are placing their main reliance on strengthened political-ideological training and closer supervision of youth activities to correct these aberrations.

25X1

INTELLECTUAL DISSATISFACTION IN CZECHOSLOVAKIA

Intellectual dissatisfaction reminiscent of the early stirrings of discontent in Hungary and Poland has recently flared into the open in Czechoslovakia. Ending eight months of silence on controversial issues, Czech literary figures in late December began to speak up in critical tones and responded to a regime counteroffensive with a defense of the author's right to "the wings of art and one's own voice."

An article in a December issue of the Czech authors' union weekly, Literarni Noviny, boldly criticized the destructive effects of the Socialist system on both the individual and society. The author, R. J. Benes, attacked the persistence of Stalinism among those with "sclerotic spiritual arteries" and claimed that the people, "dragged along by the merciless mechanism of everyday planned work," are living in a type of "undesired isolation." Events in Hungary, the article said, caused "deep moral shock, the remedy for which is to aim a critical surgeon's knife at our own ranks."

The article was denounced quickly by the new literary periodical Tvorba, which may have been launched to counteract Literarni Noviny's tendency toward forthright reporting, and by Rude Pravo, the party daily.

Literarni Noviny's editor, Jan Pilar--hitherto a regime spokesman--cautiously came to the defense of the magazine and the article in question, stating that it was an error for the Czech press to attribute evil intent to Czech authors expressing their personal views. Although criticizing some of Benes' views, he admitted there is a struggle for individual expression in Czechoslovakia but said it was not an attempt to "disturb the unity of the party and the people."

He commented that for the literary group in Czechoslovakia "this year was not an easy one; visible results were outnumbered by scars," an indication that not only the last few months but the course of events since the Soviet party congress had caused considerable ferment and confusion within Czech intellectual circles.

Before the Benes article appeared, the regime may have seen in Literarni Noviny a safety valve for intellectual expression. But because of the similarity of the present controversy to the ferment in Czechoslovakia last spring, which was resolutely condemned by the party conference in mid-June, the regime can be expected to try to ensure conformity by the adoption of repressive measures, if necessary.

25X1

~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

THE EAST GERMAN REFUGEE PROBLEM

During 1956, a steady flow of refugees to the West continued to deplete East Germany's manpower resources. The 1956 total of 279,488 is the second highest for any year since 1949, when accurate records were first kept; 331,390 fled in 1953. The loss of skilled technicians particularly seriously interferes with the regime's plans to increase industrial and agricultural production and thereby improve the East German standard of living.

Because of the refugee flow, the population in East Germany is actually decreasing. Barring German reunification, the downward trend will probably continue because a large proportion of refugees are in or about to enter their prime reproductive years.

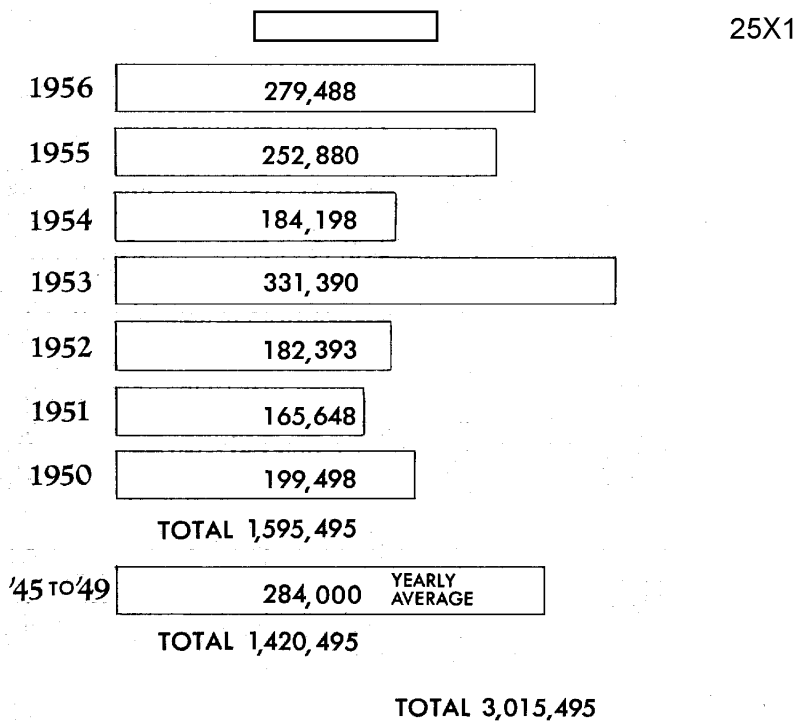
Approximately 3,015,000 persons, about 17 percent of the present population, have left East Germany since the end of the war. Of the 1956 total, 151,853 or 57.9 percent fled to West Berlin; the remaining 127,635 crossed into West Germany. These figures include only those registering with Western authorities; it is quite probable that several thousand more have fled.

In the past two years the number of refugees in the 17-24 age bracket has

increased sharply. Of about 64,000 in this group in 1956--22 percent of the total refugee flow--about 46,000 were males, or, translated into military terms, the equivalent of four Soviet-type divisions.

The reasons given by recent defectors for their actions include no hope of reunification, continuation of the low standard of living, constant pressures and surveillance, ideological indoctrination of children, recurring drives for increased agricultural and industrial production, and high-pressure methods of recruiting for the armed forces.

FLOW OF EAST GERMAN REFUGEES TO WEST GERMANY AND WEST BERLIN



31 JANUARY 1957

70125 2

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

East German authorities have stepped up their efforts to induce refugees to redefect, and apparently have had some success with those disillusioned because the "Golden West" did not measure up to their expectations of high living and easy money. An estimated 200,000 refugees have returned to East Germany since the end of 1949.

The regime is also conducting an extensive propaganda campaign to dissuade people from fleeing. Admitting that difficulties and shortages exist, the Communists are promising

better things for the future and exhorting people to take pride in doing without luxuries for the honor of participating in building a better world for those who follow them.

Without a sharp improvement in economic conditions and substantial political liberalization, neither of which at the moment appears likely, redefections will remain relatively few. Unless security measures are drastically tightened, the refugee flow will probably continue unabated. (Concurred in by ORR)

25X1

25X1

INTERNATIONAL COMMUNIST MEETINGS

The organizational pattern Moscow is following in enforcing unity and discipline in the Communist camp is indicated by the recent series of meetings of Sino-Soviet bloc governmental and party leaders. The latest issue of the Soviet theoretical journal Kommunist opposes "a return to all forms of centralized organization" such as the Cominform or Comintern, but supports "international meetings of representatives of the various Communist parties" to strengthen international Communist unity.

During the last two months, French Communist leaders reportedly visited Moscow, Prague and Warsaw, and Italian Communist leaders visited Moscow and Prague; Chou En-lai led a Chinese governmental delegation to Moscow, Warsaw and Budapest; Czech, Polish, East German and Rumanian governmental and/or party delegations made visits to Moscow; and Bulgarian-Albanian, Polish-East German and Czech-East German bilateral talks were held. From 1-4 January, party and government leaders of the USSR, Czechoslovakia, Hungary, Rumania and Bulgaria met in Budapest, a gathering given particular attention by

Communist propaganda.

The events in Hungary and Poland, the growing differences with Yugoslavia and, to a lesser extent, the unrest in some Western European parties have impressed the Soviet leaders with the need to reassert their authority within the Communist movement. Some Communists have advocated setting up another organization like the Cominform, dissolved last April, but the latest Kommunist article appears to have ruled this out.

There are several advantages to an informal series of meetings. The Poles possibly would refuse to join a formal organization, thus seriously undermining it. In a joint communiqué with the Yugoslavs in December, Poland endorsed bilateral party relations as "the most correct form."

The existence of a new formal organization would draw attention to Yugoslavia's equivocal position and revive memories of the Cominform's

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

expulsion of Tito. Last year Soviet leaders tried to persuade the Yugoslavs to join a new international organization. Now they are trying to isolate Yugoslavia but might fear that exclusion from such a group would drive Tito further into the arms of the West.

Italian leader Togliatti has expressed his preference for bilateral contacts. Togliatti would have a lot to lose from participation in any new organization--certain to emphasize his party's subservience to Moscow--at a time when the party is wracked by

dissension and is facing the difficult problem of keeping the Nenni Socialists from breaking away from the Communists to join the Social Democrats. The Italian Communist paper has described the recent visit of Italian leaders to Moscow as an example of the new form of co-operation in the post-Cominform period.

Moscow may try to give more authoritative ideological and political guidance by publishing an international Communist journal, presumably modeled after the Cominform journal. [REDACTED]

25X1

CAMBODIA

Prince Sihanouk continues to dominate Cambodian politics, but there are indications he is finding it increasingly difficult to maintain undisputed leadership. Resentment over Sihanouk's policies and dissatisfaction with his one-man form of government appear to have spread to the National Assembly, which is composed entirely of members of the Sangkum, the prince's own political organization. In two separate actions, the assembly recently acted independently of the prince's desires in passing a press censorship law and forcing the removal of two objectionable cabinet members. Although the assembly later backed down under pressure from Sihanouk, unresolved antagonisms are likely to precipitate future government crises.

As a hedge against further independent action by the legislature, Sihanouk has contrived to superimpose the semi-annual Sangkum National Congress--a public policy forum which he completely dominates--on the assembly. The congress is to play an advisory role to the assembly, and irreconcilable

differences are to be resolved by public referendum, where Sihanouk is confident of overwhelming support.

The growing concern of some influential Cambodian leaders that Sihanouk's neutralist foreign policy is exposing the nation to Communist subversion is also working against him. The rapid spread of Communist propaganda and influence among the Overseas Chinese and Vietnamese minority groups in Cambodia has been all too evident to these Cambodians.

Colonel Dap Chhuon, the powerful minister of national security and a critic of Cambodia's close relations with the Sino-Soviet bloc, has frequently complained that Sihanouk and the government do not appreciate the gravity of the Communist penetration. As the situation continues to drift, Chhuon and others who share his apprehension may attempt to bring direct pressure on Sihanouk, possibly through the palace, to reappraise his policies. [REDACTED]

25X1

~~SECRET~~

~~CONFIDENTIAL~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

PART III

PATTERNS AND PERSPECTIVES

STATUS OF THE TOP SOVIET LEADERS

The effects of the de-Stalinization campaign and events in Hungary and Poland have posed serious problems for the Soviet leaders and stimulated speculation concerning the status of the leadership. According to some reports, important changes are to be made at the Supreme Soviet meeting scheduled for 5 February.

Collective Leadership

Within the collective leadership that developed soon after Stalin's death as a system of rule designed to prevent the rise of another Stalin, one faction came increasingly to dominate the party presidium. This faction was led by Khrushchev, and, though its exact membership may have varied from time to time, it appears generally to have included Mikoyan, Bulganin, and Pervukhin.

Khrushchev, like Stalin before him, used the principle of "divide and rule." He made common cause with the conservative "Stalinists"--Kaganovich and Molotov--to defeat Malenkov, and then, abruptly turning his back on them, he championed a vigorously "liberal" program designed to erase the stultifying effects of terror and extreme centralization from the domestic scene and to secure allies and a dominant place in world affairs abroad.

Despite Khrushchev's increasing dominance and control of the party machinery--its central apparatus, the central committee, and key positions in the party hierarchy--a form of "collective leadership" has continued. Khrushchev has aspired to sit at the head of the table but he has shown no desire to dine alone.

The highpoint in the fortunes of Khrushchev's "inner circle" was reached just before the 20th party congress in February 1956. Since then, the Soviet leaders have had to deal with such problems as those arising from de-Stalinization, the Poznan riots, failure to reach a satisfactory ideological accommodation with Tito, and the developments in Poland and Hungary. Throughout these crises Khrushchev showed considerable flexibility in adapting himself to new circumstances--including reversals in some of his policies.

Khrushchev

Nikita S. Khrushchev apparently is still the dominant personality in the leadership and speaks authoritatively for the regime. Apart from some rumors in mid-November and again in December that he would be replaced, and the early Yugoslav line that Tito went to the Crimea to bolster Khrushchev's shaky position, there is no evidence that his status has been reduced or that his influence has been weakened.



KHRUSHCHEV

He has been more active than any of the other leaders, particularly in functions with a public relations value. He has made numerous speeches and otherwise acted to maintain his prominence. In *Pravda* of 1 January 1957, for example, he answered questions put by the editor of the Czech newspaper, *Rude Pravo*. It is an established custom for questions put by some foreign journalist to be answered at the end of the year, but since Stalin's death this has been the prerogative of

~~CONFIDENTIAL~~
~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

the premier, not the party first secretary. Bulganin answered questions put by the chief editor of the Polish radio in Pravda of 2 January, but it was clear that Khrushchev's were the more important statements.

Khrushchev's once liberal orientation in Soviet policy formation seems to have been modified in recent months. Apparently recognizing that the Soviet tide is at an ebb stage, he now appears more occupied with maintaining the status quo than trying new or unorthodox solutions to Soviet problems. As long as this orientation continues, he will be disposed toward "tried and true" methods and hence view tougher techniques more favorably than heretofore.

He appears to have modified his outlook spontaneously as the adverse effects of his "liberal" policies began to be felt. By the time the Poznan riots took place, he had apparently concluded he had made an error in the way he had handled the de-Stalinization campaign, and by August he probably had qualms about the rapprochement with Tito.

The process of reorienting his views may have been aided by the advice of the military and the influence of some of the more conservative (Stalinist) members of the party presidium. His quick and easy adoption of the harder line appears to have cut the ground from under any attempts by his critics to make political capital of the difficulties in which the Soviet Union found itself.

Khrushchev is an ebullient, self-confident and optimistic individual who may not be content for long to be on the defensive in the fight against "capitalist imperialism." He is, however, more than any of the other Soviet leaders, something of a politician in the

Western sense of the word and may be expected to ensure that his political position is adequately protected before embarking on a serious counter-attack in the world arena.

Bulganin

Nikolai A. Bulganin's exact position in the Soviet top leadership is difficult to assess. As head of the government, he ranks second to Khrushchev, and the West German delegation in September 1955 even felt that he was the more important of the two. Others, after recent negotiations with the two, have suggested that his role is more that of an urbane and cultured front than of an independent voice in policy formulation. Perhaps Bulganin is, as suggested by one of the Japanese who took part in the recent negotiations with the Soviet leaders, "a very thoughtful and cautious individual." If so, he may find it difficult to hold his own with the more volatile and impulsive Khrushchev.



BULGANIN

Bulganin's prestige may have been damaged, as Ambassador Bohlen suggests, by the results of the December central committee plenum. The plenum's decree on his report called for "improvement" in the leadership of the national economy, and as head of government Bulganin is the highest official responsible for that leadership. "Improvement of Leadership of the USSR National Economy," however, was the subject of Bulganin's report to the plenum and he, presumably, was the one demanding the improvement.

Bulganin apparently remains a responsible and trusted member of Khrushchev's "inner circle," but probably does not have an independent power position in the party presidium.

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

Mikoyan

MIKOYAN

Anastas I. Mikoyan is also a member of the Khrushchev "inner circle" but does appear to have an independent power position. He impressed a member of the Japanese delegation in the negotiations this fall as one of the most powerful of the Soviet leaders and one who appeared to have the loyalty of a number of the younger bureaucrats. He is probably the third if not the second most powerful and influential member of the top leadership. Although long identified as an exponent of the "liberal" line, he has shown a facility for adapting his views to changing conditions and it may be presumed that he agrees with the somewhat tougher line now in effect.

Mikoyan has been particularly susceptible to blame for the Hungarian crisis because he, along with Suslov, was entrusted with Hungarian matters this past summer and fall. He presided over Gero's replacement of Rakosi in July and appeared again in Budapest with Suslov on 25 October. After observing conditions in the Hungarian capital he, in the words of one report, "berated Gero for having stampeded Moscow through an exaggerated and distorted picture of the nature of the Budapest revolt." He and Suslov then picked Kadar to succeed Gero as party boss. On 10 January, when Kadar was in Moscow for talks with Chou En-lai and the Soviet leaders, Mikoyan participated. This indicates his continuing concern with Hungarian affairs.

Pervukhin

Mikhail G. Pervukhin may now be the fourth ranking member in the top leadership. His recent appointment as head of

the State Economic Commission for Short-term Planning, the granting of executive functions to the commission, and the assignment of five former deputy premiers as his deputies confirm earlier indications of his increasing authority. His position in the top leadership stems almost exclusively from his administrative and technical abilities--he appears to have even less of an independent power position in the party presidium than Bulganin. His views on general policy are probably more narrowly economic than the others of the "inner circle."



PERVUKHIN

Pervukhin has for some time ranked high as an executive in the government, possibly second only to Bulganin in general administrative matters. He has on occasion served as acting premier and may have been chairman of the Council of Ministers' Commission for Current Questions. This commission was formed by the presidium of the Council of Ministers "to examine and decide all current problems except those decided by the first deputies and the deputies of the chairman of the USSR Council of Ministers." This commission appears to bear some resemblance to the old "buro" of the Council of Ministers. Chairmanship of it is likely to convey considerable power to the holder.

The executive powers granted the planning commission in December may have been taken from the Commission for Current Questions, although there is every likelihood that some of the powers were taken from other sources as well, including individual members of the Council of Ministers.

Kirichenko

Aleksei I. Kirichenko undoubtedly owes his position as

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

party boss in the Ukraine and also on the all-Union party presidium to his old mentor,



KIRICHENKO

Khrushchev. As long as Khrushchev continues to maintain close associations with the Ukraine, Kirichenko will probably not be able to build up an independent power base there, but the job has good potentialities and his influence in the republic may some day serve to further his career. For the moment he appears content to concentrate on Ukrainian problems and follow Khrushchev's lead in national affairs.

Suslov

Mikhail A. Suslov seems to be a secondary figure in the top leadership and may have



SUSLOV

been put on the presidium primarily to provide, in addition to Khrushchev, a bridge between it and the secretariat. He appeared to one observer who talked with him as quite unimpressive and not the "powerful young man" reported by the press. There is no evidence to support the recent press claims that he is a "hard-line advocate" but there have been reports that he tends to be rather doctrinaire on occasion. His speech on 7 November was relatively mild, as was also the speech Mme. Furtseva delivered for him to the Italian Communist Party in December.

Suslov, like Mikoyan, has been susceptible to blame for the Hungarian situation since he, too, was entrusted with Hungarian matters. There have, however, been no indications of any changes in his status.

Malenkov

Georgy M. Malenkov's participation in the five-nation

talks in Budapest is the first confirmed instance since his demotion from the premiership in February 1955 in which he has been entrusted to represent the Soviet government in broad policy matters. It lends credibility to the rumors that he and Suslov were in Budapest during the latter half of November, presumably guiding the Kadar regime in its attempts to regain control over the Hungarian people.



MALENKOV

These events suggest that Malenkov's status is improving, but the improvement, at this point, does not appear sufficiently great to make him a threat to Khrushchev's leadership. He remains a deputy premier, the lowest ranking job held by any party presidium member, and the significance of his presence at the Budapest meeting is partially vitiated by the fact that he did not participate in the talks Kadar had with Chou En-lai and the Soviet leaders in Moscow on 10 January.

It may be, however, that his period of punishment for having "failed" as premier is at an end and that he may soon be made a first deputy premier like Mikoyan, Molotov, Kaganovich, Pervukhin and Saburov, or, alternatively, he may be returned to work in the party secretariat where, as Khrushchev's subordinate, he might be able to exercise the talents that Stalin found so useful.

Voroshilov

Kliment Ye. Voroshilov is an old man (76) who, as president of the Presidium of the Supreme Soviet, is chief official greeter for the Soviet state. He is virtually devoid of any real power or influence. Rumors of his imminent retirement persist and it is entirely possible he might be transferred to an even lesser position.

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957



VOROSHILOV

There are few strains connected with his job, however, and his health continues to be adequate to handle the few requirements it poses for him. On 15 April, he is scheduled to make a state visit to China to "strengthen Sino-Soviet friendship."

Molotov

MOLOTOV

Vyacheslav M. Molotov's assignment as USSR Minister of State Control appears to mark the lowest point in his career since he first became a member of the politburo in 1926. This is true despite the regime's avowed intention to broaden the powers and improve the activities of the ministry, for he is now removed from the vital area of foreign policy and saddled with responsibility for a ministry which has little potentiality for becoming a base of political power.

Kaganovich

KAGANOVICH

Lazar M. Kaganovich, like Molotov, has lost political power and influence during the past two years and seems now to be largely reduced to the role of troubleshooter in narrow areas of the economy. The ebb in Kaganovich's fortunes began well before the autumn of 1955 since by that time Pervukhin, who of all the presidium members most closely approximated him in industrial knowledge, experience and administrative ability, had forged ahead of him to become acting premier in Bulganin's absence. In

December 1956, when Saburov's planning commission was under fire at the party plenum, it was Pervukhin who was selected to iron out difficulties in the broad field of economic planning.

Saburov

SABUROV

Maxim Z. Saburov's claim to a position in the top leadership stems more from his long experience and undoubted technical qualifications in administration of the economy than from a personal political following. Once a member of Stalin's personal secretariat, he has undoubtedly lost prestige as a result of his removal in December from the State Economic Commission for Short-term Planning. He retained the position of first deputy premier, however, which suggests that he is to be assigned other administrative responsibilities in the Soviet government.

Zhukov

ZHUKOV

Marshal Georgy K. Zhukov, though only a candidate member of the party presidium, not only commands the armed forces, but has great personal popularity among Soviet citizens generally, which gives him the potentiality for exerting an even greater influence on Soviet policy than some present full members of the presidium. In addition, the fact that the Soviet leaders used the Soviet army in Hungary and threatened to use it in Poland has undoubtedly increased his influence on policy. He

~~SECRET~~

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

has, however, shown no inclination to act in an independent way. He has reportedly been fiercely zealous in safeguarding the military interests of the Soviet Union as well as

the interests of the military, but seemingly is willing to leave general political questions to the other leaders.

25X1

* * *

THE NILE WATER CONFLICT BETWEEN EGYPT AND THE SUDAN

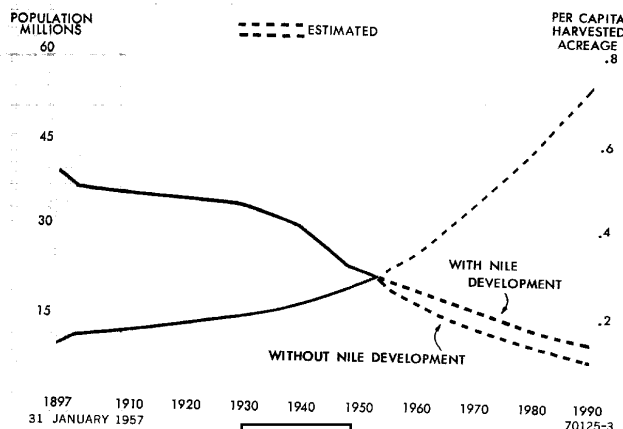
In the conflict between Egypt and the Sudan over the disposition of the waters of the Nile, Cairo claims rights to a greater portion of water than Khartoum is willing to acknowledge and wants a larger share of any surplus resulting from the construction of new works on the river. The Sudan is not immediately in need of more water, but desires a final determination of the shares each nation is to receive before any new construction begins in order to forestall Egypt's de facto acquisition of additional water rights.

Pressures on Egypt

Because of Egypt's extremely small rainfall, agriculture depends entirely on water from the Nile.

Harvested acreage--allowing for multiple harvests on the same land--is now about 6,200,000 acres, approximately equal to the amount of harvested acreage in Mississippi. Egypt's population, however, is about 24,000,000 compared to Mississippi's 2,500,000.

EGYPT: POPULATION PRESSURE ON LAND



25X1

~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

Even the most ambitious development program is unlikely to increase Egypt's agricultural area to over 7,785,000 acres. The Aswan High Dam, after an expenditure of some \$1.2 billion would bring under continuous irrigation only 1,349,000 acres of new land and convert 695,460 acres of partially irrigated land into fully irrigated areas.

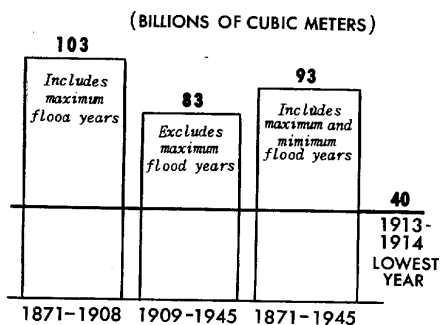
Egypt's growing population will probably exceed by 1980 that of France today--some 43,000,000. Cairo has made some efforts to alleviate the pressure for land by reclamation and settlement, especially in the much publicized Liberation Province on the western edge of the Nile delta. Projects there, involving collective and communal farming, are still in a very early stage, however, and are unlikely ever to yield substantial benefits.

Egypt's Position

Cairo disagrees with Khartoum on the average flow of water past Aswan, rights to existing water supplies, and the relative shares of each country in any surplus brought about by new works.

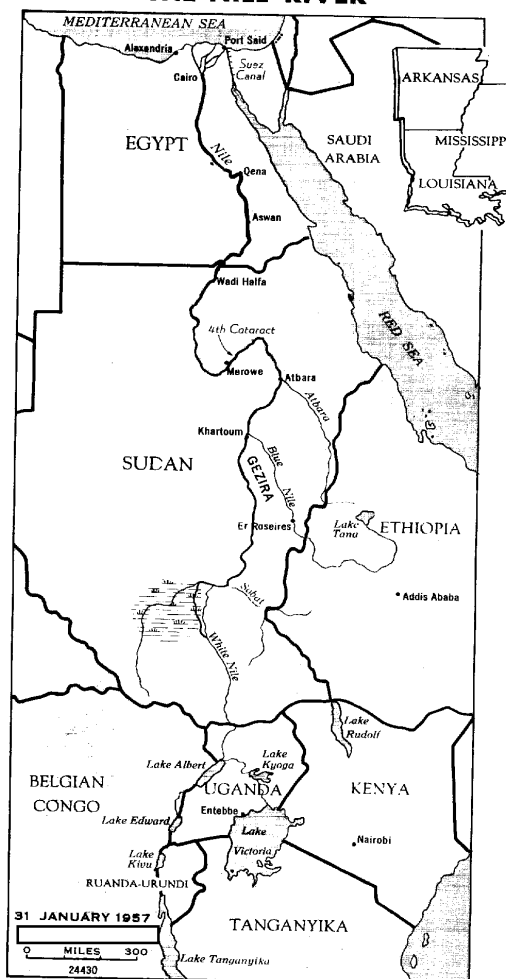
Egypt insists that the average flow at Aswan is only

AVERAGE NILE DISCHARGE AT ASWAN
Figures based on selected periods



31 JANUARY 1957

70125-3

THE NILE RIVER

80 billion cubic meters rather than 84 billion cubic meters as claimed by the Sudan. A conservative estimate of the average flow is 83 billion cubic meters.

Egypt also claims 51 billion cubic meters in existing water rights, 3 billion cubic meters more than Khartoum accepts. Based on the amount of irrigated land, at 8,000 cubic meters per year per acre, the figure would be 48.21 billion. Neither country disagrees with the Sudan's existing rights of some 4 billion cubic meters.

Egypt's claim to an eventual total of 62 billion cubic meters would be more than adequate for all irrigation

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

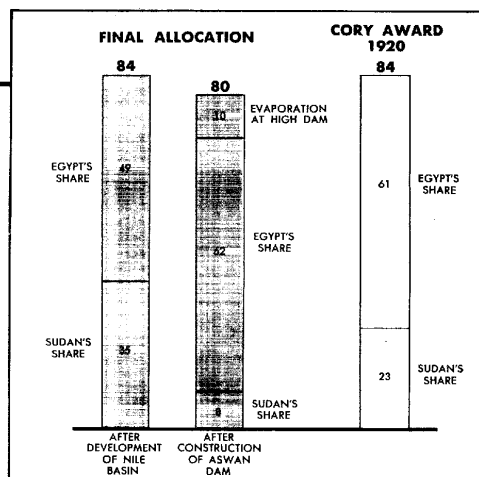
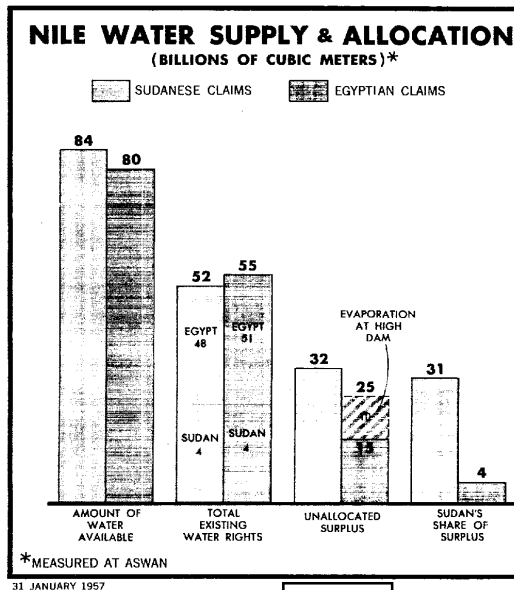
31 January 1957

purposes. If the maximum amount, 7,785,000 acres, of land in Egypt were irrigated, approximately 58.25 billion cubic meters of water would be required. The Sudan is willing to allow 49 billion cubic meters as Egypt's ultimate share.

The Sudan's Position

Sudanese engineers say that 5,500,000 acres of land are suitable for immediate

In defense of its position, Khartoum cites a study made by an American engineer, H. L. Cory, which was published by the Egyptian government in 1920. Cory would have given Egypt a total of 61 billion cubic meters, the Sudan 23 billion cubic meters. Now, however, the Sudan argues that because of its rapid development, this figure is too low and it needs 31



billion cubic meters more than it now receives. Khartoum, admitting that it would be a number of years before it could use the full amount it is asking, insists

that water rights be determined before any diversion project--such as the Aswan High Dam--is built and Egypt acquires more water rights.

Existing Works

Egypt has six barrages but only one dam--the Aswan Dam built in 1902 with a present reservoir capacity of 5.3 billion cubic meters. Barrages are designed not to store flood waters, as is the Aswan Dam, but to regulate the water level during flood time and divert it into irrigation canals.

The Sudan has no barrages but has two dams, the Senna on

development--3,000,000 with a gravity irrigation system in the Gezira between the White and Blue Nile south of Khartoum, 1,500,000 acres with pump irrigation systems on the Niles; 500,000 to be watered from the Atbara River; and 500,000 to be watered from the proposed Jonglei Canal. The Sudan claims the right to irrigate this area at the same rate as Egypt--8,000 cubic meters of water an acre per year. The total figure the Sudan wants would thus be 44 billion cubic meters, the equivalent, because of evaporation loss, of 35 billion cubic meters at Aswan.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

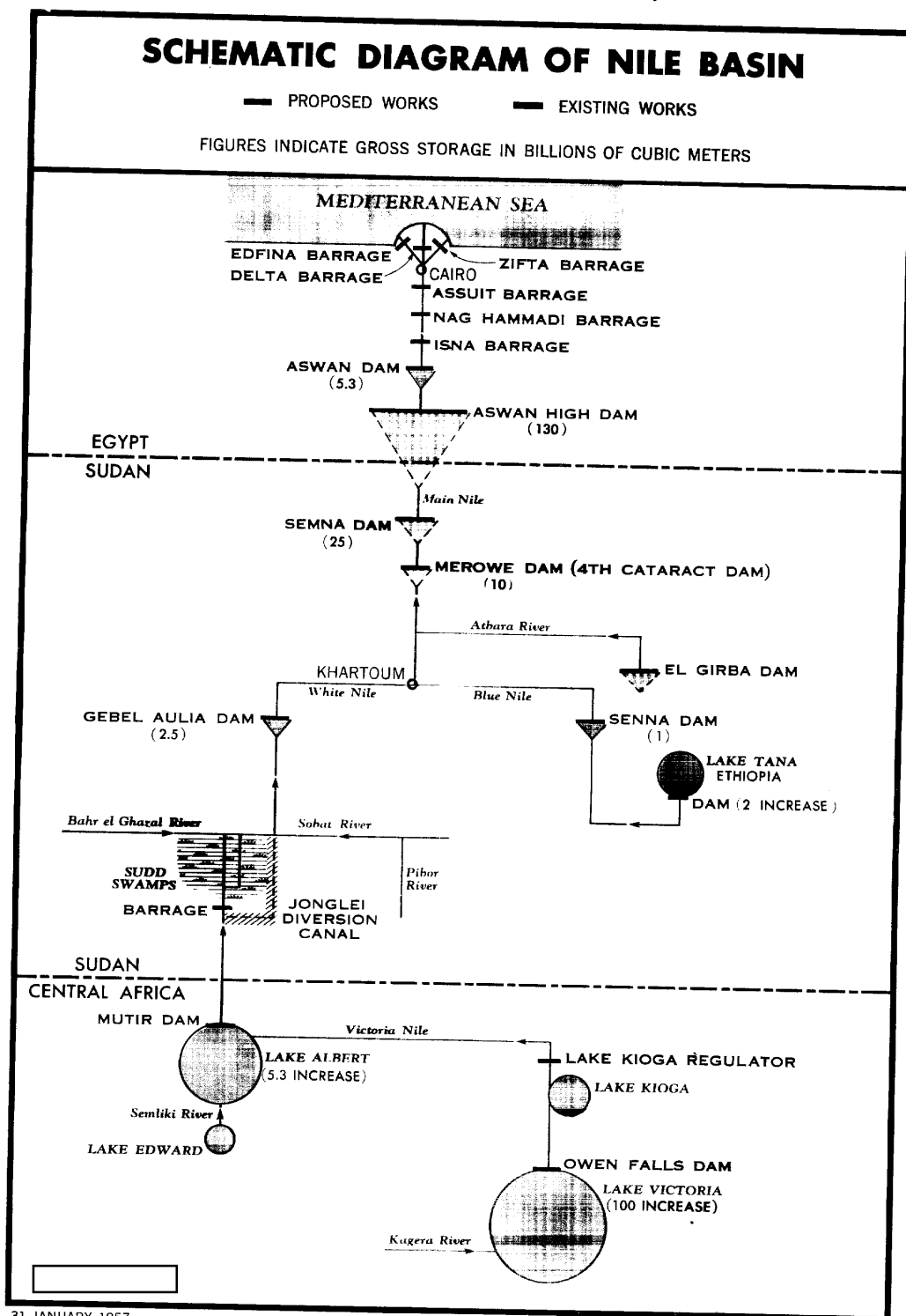
31 January 1957

SCHEMATIC DIAGRAM OF NILE BASIN

— PROPOSED WORKS

— EXISTING WORKS

FIGURES INDICATE GROSS STORAGE IN BILLIONS OF CUBIC METERS



31 JANUARY 1957

70125-3

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

31 January 1957

the Blue Nile and the Gebel Aulia on the White Nile. The Senna dam--with a relatively small storage capacity of 1 billion cubic meters--stores water to irrigate the Sudan's cotton crop in Gezira without using Nile waters during the summer, when the natural river flow is used almost exclusively by Egypt. The Gebel Aulia dam--completed in 1937 with a reservoir capacity of 2.5 billion cubic meters--was built solely to irrigate Egyptian land.

Proposed Development Projects

All existing works in the Nile system are designed principally to regulate the annual flood, and none are concerned with irrigation storage over a period of years. The next step in the Nile development is to provide long-term storage facilities. If this is not done, an extension of the irrigated area could prove disastrous in a year with water shortage. Two general plans have thus far been advanced, the Aswan High Dam and a comprehensive storage scheme. Egypt's high dam proposal was first seriously put forth in 1953. The storage scheme, favored by the Sudan, has long been under study.

The Aswan High Dam

The Aswan High Dam project involves the construction of a dam across the Nile about five miles upstream from the existing Aswan Dam. The new dam would create a reservoir with a capacity of 130 billion cubic meters. Its primary purpose would be to store water for irrigation. Secondly it would protect Egypt's downstream areas from flood and provide improved navigation conditions.

The dam itself would take at least 10 years to build. The reservoir would store 70 billion cubic meters of water for irrigation, plus 30 billion cubic meters for flood control.

The other 30 billion cubic meters would be allowed for deposition of silt.

The advantages of this project to Egypt would depend on the share of the water Cairo would receive under its agreement with the Sudan. If Egypt's share were significantly less than 61 billion cubic meters, the project might not be worth the large investment required. It is on this point that discussions with the Sudan were broken off in mid-1955, and Khartoum refused to acknowledge Egypt's right to this amount.

Comprehensive Storage Scheme

This plan calls for a series of dams and barrages to be built largely in the Sudan. The bulk of the long-term storage of irrigation waters, however, would be in Lake Albert and Lake Victoria. By raising the water level of Lake Albert one meter, and Lake Victoria four feet, the amount of stored water would be equal to 105.3 billion cubic meters, some 35 billion cubic meters more than the expected capacity for irrigation storage of the high dam. Because of the large swamps through which the water from these lakes now passes, however, the water loss through absorption is substantial--on the average about 50 percent. To avoid this, a diversion canal--the Jonglei Canal--would have to be built. In addition, a number of regulating barrages would be required, as well as a dam at Lake Tana in Ethiopia.

The Aswan High Dam and the comprehensive storage scheme might be made complementary. The high dam could be somewhat smaller than now planned and other works could be undertaken in the Sudan.

Without the Aswan High Dam, or a similar project, the growth of the Egyptian economy is likely to lag far behind the probable

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

increase in population. This would mean a steady decline in the standard of living, with serious implications for the future social and political evolution of Egypt. Even though

Aswan or similar works might not make possible any significant per capita rise in the living standard, they would at least prevent a disastrous deterioration in this standard.

25X1

* * *

WEST GERMAN REARMAMENT

The West German rearmament effort, first planned in 1950 and formally initiated in January 1956 on the basis of a three- to four-year build-up of 12 divisions and 500,000 men, has shifted its emphasis away from the original goals to what Defense Minister Strauss calls a "quality-before-quantity" approach. Instead of gradually building up the larger force, the Germans have recently indicated that they wish to concentrate on more rapid creation of seven combat-ready divisions with the most modern equipment.

Strauss Takes Over

Chancellor Adenauer's cabinet reshuffle on 16 October 1956 brought in as defense minister the aggressive and capable Franz Josef Strauss, a clever politician who would like to succeed Adenauer, and who, as atomic minister, had been one of the noisiest and most effective critics of what he and much of the public considered to be a Utopian armed forces build-up program.

Although much of the German planning for the new look in the German army was apparently under way when Strauss supplanted his much-criticized predecessor and political adversary, Theodor Blank, the publicity-conscious Strauss, in his explanations to the public

and to Bonn's NATO allies, has taken the credit for the shift. Adenauer's Christian Democratic Union (CDU), which is already worried about the unpopularity of rearmament in many circles and the effect on CDU prospects in the September Bundestag elections, hopes to be able to benefit from the changes



A West German view of Defense Minister Strauss and rearmament. From Der Spiegel.

in approach as well as in personalities.

In a further bid for public support, the CDU agreed last October to a reduction from 18 to 12 months in the

~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

length of service for draftees, and Strauss apparently intends to draft relatively few men before the September election. Subsequent events in Hungary and the Middle East have given impetus to the government's plans for rapidly building up a few combat-ready units, and may also serve to weaken the public distaste for the rearmament effort.

one mountain division. Under the original plan, these divisions would have been split in two and used as cadres for the formation of new units. Now, they will be left intact, and are expected to be at from 60 to 80 percent of strength by the end of 1957, and combat-ready during 1958.

While the Germans have been unwilling to commit themselves formally to their NATO allies to any plans beyond 1957, reliable sources report that the cabinet has approved a firm interim forces ceiling of only 343,000 men for 31 March 1961. At that time, the army would have 200,000 men in 12 divisions, all at about 70 percent of strength. The air force would have 100,000 and the navy 20,000 men, with the remaining personnel in administrative and support units. The total cost of this build-up would be \$12.85 billion and would require the Germans to increase their defense budget during 1958-61 by about \$1.3 billion a year above the present annual

level of \$2.1 billion.

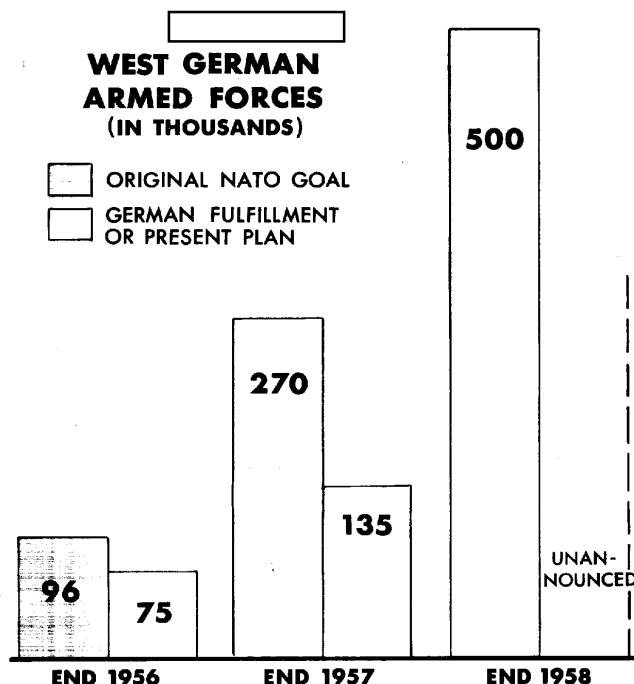
Equipment

Strauss has always stressed Germany's need for atomic weapons, and is likely to increase his demands in this field. He is already laying the groundwork for combat under conditions of nuclear warfare, by setting up infantry and armored divisions of only 12-13,000 men each.

During the training stages of the build-up, Bonn will "make do" with the equipment it has

WEST GERMAN ARMED FORCES (IN THOUSANDS)

ORIGINAL NATO GOAL
GERMAN FULFILLMENT OR PRESENT PLAN



31 JANUARY 1957

70122 2

Present Goals

Strauss has so far announced his goals only through 1957. Late in 1956, he scaled down the NATO goal of 96,000 men in uniform for that year to 75,000, a figure the Germans met. In place of 270,000 for the end of 1957, Bonn now will aim for 135,000, of which 85,500 will be in the army.

The Defense Ministry is building up three motorized infantry divisions, two armored divisions, one air-borne and

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

31 January 1957

received from its allies. Nevertheless, there are increasing indications that in the future the Germans will want more and more to develop their own tanks and aircraft. Industry is apparently less reluctant to participate in rearmament than formerly.

Air and Navy

Strauss reportedly wishes to proceed with the build-up of effective ground forces, and later to shift the emphasis to air power. Until now, less stress has been placed on the air force, which is scheduled to have two transport squadrons and two or three fighter squadrons and 27,000 men by the end of 1957. With 12,000 men now, it is concentrating mainly on training flying personnel.

The new navy was originally to number only 17,000 men, primarily with patrol functions. By April it is scheduled to have about 10,000 men, formed in three motor-torpedo squadrons, four minesweeper squadrons, and one landing craft squadron. It is now concentrating on training personnel, with its future plans, mission and size much in question, but with its top officers pressing for a greater role for the naval forces.

New Plans

Strauss has recently begun to emphasize a broad defense program based on three "pillars":

- 1) the mobile units of the three armed services, under NATO,
- 2) national home defense units, both land and air, which would be under German control and work closely with NATO, and
- 3) civilian defense units, under Interior Ministry control, for catastrophe situations.

The whole concept of additional home defense forces,

planned for some time, will stress the formation of Swiss-type militia reserve units, calling largely on older personnel for engineer, communications, and guarding service near their homes. While Strauss recently said that such units would at first involve only 30,000 men, the plan would permit a rapid expansion of the German forces as well as complete German control over these units.

Leadership

Strauss apparently wants to make important shifts in leadership of the new forces. It appears that he will replace Lt. Gen. Adolf Heusinger, who holds the top post of chairman of the Supreme Military Council, but whose war experience was mainly of a staff nature, with former Lt. Gen. Walter Wenck, who was commander of the German Twelfth Army at the end of the war. This shift is tentatively scheduled for March, after a proposed reorganization of the ministry which would give the top general new powers. Strauss is reportedly trying to find a suitable "prestige job" for Heusinger in NATO. Heusinger's deputy, Lt. Gen. Speidel, is already slated for a NATO post this spring.

Thus the present period of the German forces build-up appears to be a transitional one, an attempt to create the basic defense and security forces structure as fast as political expediency will allow. This phase seems likely to last until after the Bundestag elections in September. Then if present policies are confirmed at the polls, Bonn can proceed with the formation of an effective fighting machine, the main ingredient now lacking in West Germany's emergence as a major power.

25X1

SECRET

